

Palmetto Utilities  
Docket No. 2019-281-S  
Second Request for Production of Books Records and Other Information

Question 2-25: Provide the analysis, evaluation criteria, and supporting documentation used by Palmetto to determine that a flat rate design (non-volumetric) was the most appropriate rate design.

Response:

The analysis, evaluation criteria, and support for the use of the current rate design as being most appropriate is the same as that set out by the Commission in the Company's last rate case. See Order No. 2018-155 at 25-27 in Docket No. 2017-228-S. As reflected therein, the Company's currently approved rate design, which is not proposed to be changed, utilizes the uniform contributory loading guidelines set out in Appendix A to DHEC Regulation R.61-67. These Guidelines provide a hydraulic loading factor for residential customers of 300 GPD and hydraulic loading factors for non-residential customers. A single family equivalency (SFE) is based on the residential loading factor. The company does not supply water to the customers and therefore would be required to purchase water meter readings from water providers if a potable water volumetric rate design were employed. This would be a significant additional expense associated with obtaining such readings, which the water providers (primarily the City of Columbia) are under no obligation to provide the readings as they are not subject to Commission jurisdiction. Furthermore, it was the Company's experience that water meter readings obtained from the City of Columbia were often in error and caused great angst to our customers. The Company is not aware of any alternative rate design which can be employed under these circumstances.

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